

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

UNITED STATES OF AMERICA,	)	No. _____
)	
Plaintiff,	)	COUNT ONE:
	)	18 U.S.C. § 1341 (Mail Fraud)
v.	)	NMT: 5 Years Imprisonment
	)	NMT: \$250,000 Fine
ROBERT A. SCHLOTZHAUER,	)	NMT: 3 Years Supervised Release
[DOB: XX/XX/1940],	)	Class D Felony
)	
and	)	COUNT TWO:
	)	18 U.S.C. § 1343 (Wire Fraud)
FALCON HELICOPTER, INC.,	)	NMT: 5 Years Imprisonment
a Missouri Corporation,	)	NMT: \$250,000 Fine
	)	NMT: 3 Years Supervised Release
Defendants.	)	Class D Felony
)	
	)	COUNTS THREE THROUGH ELEVEN:
	)	18 U.S.C. § 1001 (False
	)	Statements)
	)	NMT: 5 Years Imprisonment
	)	NMT: \$250,000 Fine
	)	NMT: 3 Years Supervised Release
	)	Class D Felony
)	
	)	COUNTS TWELVE AND THIRTEEN:
	)	18 U.S.C. § 38 (Aircraft Parts
	)	Fraud)
	)	NMT: 15 Years Imprisonment
	)	NMT: \$500,000 Fine
	)	NMT: 3 Years Supervised Release
	)	Class C Felony
)	
	)	COUNTS FOURTEEN AND FIFTEEN:
	)	18 U.S.C. § 38(d) (Forfeiture)
)	
	)	\$100 Mandatory Special Assessment
	)	Each Count

I N D I C T M E N T

THE GRAND JURY CHARGES THAT:

I. SUMMARY

At all times material to this Indictment:

1. Defendant ROBERT A. SCHLOTZHAUER, in his capacity as owner of Falcon Helicopter, Inc., purchased three (3) helicopters during 2001 that were involved in separate accidents and were substantially damaged.

2. Consequently, Defendant SCHLOTZHAUER effectuated repair schemes for these helicopters, and returned them to service in order to offer the helicopters for sale in interstate commerce.

3. Specifically, Defendant SCHLOTZHAUER extracted essential dynamic components from a McDonnell Douglas 369E (MD-369E) helicopter that was involved in an accident, and installed those parts in another McDonald Douglas 369E helicopter that was also involved in an accident. Additionally, SCHLOTZHAUER conducted major repairs to a Eurocopter 120B (EC) helicopter that was involved in an accident. Thereafter, SCHLOTZHAUER returned to service the MD369E and EC helicopters.

4. In regard to the EC, Defendant SCHLOTZHAUER contracted with two non-licensed mechanics to design the repair scheme utilized to return the helicopter to service, and improperly supervised their work in violation of Federal Aviation Administration (FAA) regulations.

5. Additionally, in designing a repair scheme, Defendant SCHLOTZHAUER misrepresented the extent of the damage to the EC to

its manufacturer, and failed to follow the methods for repair prescribed in the manufacturer's maintenance manual, in violation of FAA regulations.

6. Moreover, Defendant SCHLOTZHAUER effectuated repairs to graphite structural components of the EC contrary to FAA regulations.

7. Regarding the MD-369E, Defendant SCHLOTZHAUER misrepresented to the purchaser the fact that the helicopter had been involved in an accident.

8. Defendant SCHLOTZHAUER further failed to conduct various FAA required inspections regarding both MD-369E helicopters and failed to document FAA required inspections in the aircraft logbook.

9. Additionally, Defendant SCHLOTZHAUER failed to overhaul the main rotor transmission and failed to scrap the main rotor drive shaft and engine to transmission drive shaft on the MD-369E, pursuant to FAA regulations.

II. BACKGROUND

A. Falcon Helicopter, Inc.

10. Defendant Falcon Helicopter, Inc. was established by Defendant SCHLOTZHAUER as a Missouri corporation located at 2451 Northeast Douglas Rd., Lee's Summit, Missouri, and was engaged in the business of purchasing, rebuilding and offering helicopters for sale in interstate commerce.

11. Defendant SCHLOTZHAUER was the sole stockholder and owner of Falcon Helicopter, Inc., and the holder of an Federal Aviation Administration (FAA) issued airframe and powerplant mechanic's rating (A&P) and an FAA inspection authorization (IA) certificate. As a holder of these mechanic's licenses, SCHLOTZHAUER is authorized to repair, inspect, overhaul and return to service, aircraft and aircraft parts, in accordance with the rules and regulations promulgated by the United States Secretary of Transportation on behalf of the Federal Aviation Administration.

B. The Federal Aviation Administration

12. The Federal Aviation Administration (FAA) is an agency of the United States Department of Transportation. The responsibilities of the FAA include, among other things, ensuring the safety and airworthiness of all domestic aircraft, and the safety of those persons who operate domestic aircraft.

13. In part, the FAA discharges its responsibility by issuing regulations which, among other things, regulate repair of aircraft, aircraft engines and aircraft parts. Additionally, the FAA is assigned, in part to regulate all forms of aviation transportation, including the issuance of standard airworthiness certificates to aircraft found to comply with the Code of Federal Regulations (C.F.R.), and found to have been inspected and to

conform to their type design, and to be in condition for safe operation.

C. FAA Certified Mechanics

14. The FAA certifies mechanics for the type of work on an aircraft they will perform. Specifically, there are two types of FAA certified mechanics, the Airframe and Power Plant (engine) (A&P) mechanic, and the next level of certification is the Inspection Authorization (IA) holder.

15. When repairs or alternations to an aircraft are made, the holder of a mechanic's certificate makes entry, on the aircraft logbook, the FAA Form 337 (Major Repair and Alteration), and FAA Form 8130-6 (Application for Airworthiness Certificate), and certifies that the repair and/or alterations have been made in accordance with FAA regulations, and that the information furnished therein is true and correct. In this regard, an IA certificate holder is required to inspect an A&P mechanic's work concerning major repairs and alterations.

16. Pursuant to Parts 65.85 and 65.87 of Title 14 of the Code of Federal Regulations, an FAA certified mechanic may approve and return to service an airframe or any related part, and a powerplant or propeller or any related part, after he has performed, supervised or inspected its maintenance or alteration excluding major repairs and major alterations.

17. In accordance with 14 C.F.R. § 65.95 the holder of an FAA IA certificate may inspect and approve for return to service any aircraft or related part after a major repair or alteration if the work was done in accordance with technical data approved by the FAA Administrator (Administrator).

D. FAA Definitions Regarding Aircraft Accidents

18. Pursuant to 49 C.F.R. § 830.2 an aircraft accident is an occurrence associated with the operation of an aircraft in which any person suffers death or serious injury, or in which the aircraft receives substantial damage.

19. Substantial damage is defined in 49 C.F.R. § 830.2 as damage or failure which adversely affects the structural strength, performance, or flight characteristics of the aircraft, and which would normally require major repair or replacement of the affected component.

20. The FAA has defined a major repair under FAA order 8300.1 as a repair which could either appreciably affect airworthiness by changing weight, balance, structure, strength, performance, power plant operation or flight characteristics if improperly done.

E. FAA Regulated Aircraft Maintenance, Preventative Maintenance, Rebuilding and Alteration

21. In order to ensure the safety of the flying public, the FAA has provided that FAA approved mechanics, including A&P and IA certificate holders, are required to document maintenance and

inspections performed on aircraft on various FAA forms and maintenance records (aircraft logbooks). Specifically, pursuant to 14 C.F.R. § 43.5, the FAA mandates that no person may approve for return to service any aircraft, airframe, aircraft engine, propeller or appliance that has undergone maintenance, preventative maintenance, rebuilding or alteration unless an appropriate maintenance record entry is made and the authorized repair or alteration form has been executed in a manner prescribed by the Administrator.

22. Pursuant to 14 C.F.R. § 43.2 no person may describe in any required maintenance entry or form an aircraft, airframe, aircraft engine, propeller, appliance, or component part as being overhauled unless: (1) using methods, techniques and practices acceptable to the Administrator, it has been disassembled, cleaned, inspected, repaired as necessary and reassembled; and (2) it has been tested in accordance with approved standards and technical data, or in accordance with current standards and technical data acceptable to the Administrator, which have been developed by the holder of the type certificate or other acceptable certificate. In this regard, the type certificate prescribes conditions and limitations under which an aircraft meets the airworthiness requirements of FAA regulations.

23. Pursuant to 14 C.F.R. § 43.3(d) the FAA has limited the maintenance, alteration or preventative maintenance of an

aircraft, airframe, aircraft engine propeller, appliance or component part to the holder of a mechanic's or repairman's certificate or a person working under the supervision of the holder of a mechanic's or repairman's certificate if the supervisor personally observes the work being done to the extent necessary to ensure that it is being done properly and if the supervisor is readily available, in person, for consultation.

24. The FAA has also promulgated rules regarding the performance of maintenance, alterations or preventative maintenance on an aircraft, engine, propeller or appliance. Specifically, 14 C.F.R. § 43.13 requires that any person involved in this activity shall use the methods, techniques and practices prescribed in the current manufacturer's maintenance manual, or the manufacturer's Instructions for Continued Airworthiness, or other methods, techniques, and practices acceptable to the Administrator.

F. FAA Mandated Inspection Rules

25. The FAA has also established rules for inspections of aircraft to ensure the safety of the flying public, and in regard to rotorcraft, 14 C.F.R. § 43.15 states that each person performing an FAA required inspection shall inspect the drive shafts, main rotor transmission gear box, main rotor and center section, and auxiliary rotor, in accordance with the

manufacturing maintenance manual or with the manufacturer's Instructions for Continued Airworthiness.

26. Additionally, as part of 14 C.F.R. § 43.12, the FAA has prohibited any fraudulent or intentional false entry in any record required to be used to establish compliance with any requirement under the FAA regulations including FAA Form 337 (Major Repair and Alteration), FAA Form 8130-6 (Application for Airworthiness Certificate), and aircraft logbooks.

27. Pursuant to 14 C.F.R. § 43.16, each person performing an inspection or other maintenance specified in an Airworthiness Instruction section of a manufacturer's maintenance manual or in the manufacturer's Instructions for Continued Airworthiness, shall perform the inspection or other maintenance in accordance with this section or in accordance with operations specifications approved by the Administrator.

G. FAA Airworthiness Certificates

28. FAA order 8130.2F provides that an aircraft cannot be certified as airworthy unless: (1) the aircraft conforms to its type certificate in that the aircraft configuration and the components installed are consistent with the drawings specifications and other data that are part of the type certificate; and (2) the aircraft must be in condition for safe operation regarding wear and deterioration.

29. Following the importation of an aircraft into the United States or after a major repair or alteration to an aircraft, the aircraft must be issued a Standard Airworthiness Certificate. In this regard, the A&P mechanic, or the IA holder in the event of a major repair or alteration, must complete the required inspections and entries on the required FAA forms or aircraft logbooks. Additionally, the A&P mechanic and/or IA holder must certify that the aircraft is in compliance with 14 C.F.R § 43 and is in an airworthy condition. Thereafter, the owner of the aircraft must complete the application for the airworthiness certificate (FAA Form 8130-6) and certify that the aircraft has been inspected and was found to be airworthy.

30. Subsequently, a conformity inspection is completed by an FAA Designated Airworthiness Representative (DAR). The purpose of this inspection is to ensure that the maintenance records and required forms to return the aircraft to service are complete. Accordingly, if the above documentation is correct, the DAR issues an airworthiness certificate for the aircraft.

H. FAA Approved Field Repair Criteria

31. The FAA has promulgated specific procedures in FAA Order 8300.1 for FAA certified mechanics to properly execute a field repair in the event adequate information to make repairs to an aircraft is not widely available. In this regard, approved data to effectuate a repair scheme to an aircraft or component

can originate from, among other things, the manufacturer's structural repair manual, FAA Advisory Circulars, and Designated Engineering Representatives (DER).

32. Pursuant to 14 C.F.R. § 183.29 DERs may approve power plant, and other structural engineering information and other structural considerations within limits prescribed by and under the supervision of the Administrator. Moreover, pursuant to FAA Order 8300.1, DER engineering assistance and advice must be requested when an FAA certified mechanic is working in areas including: (1) use of synthetic covering material; (2) processes on which sufficient information is unavailable; (3) use of synthetic resin glues; or (4) any other complex special process that if not properly performed could have an adverse effect on the integrity of the product.

I. FAA Advisory Circular 43.13-1B

33. FAA Advisory Circular 43.13-1B (AC) was initiated on September 8, 1998, and contains methods, techniques and practices acceptable to the Administrator for the inspection and repair of non-pressurized areas of civil aircraft where there are no manufacturer's repair or maintenance instructions.

34. The data contained in this AC generally pertains to minor repairs, however, the repairs identified in this AC may also be used as a basis for FAA approval for major repairs. Specifically, the repair data in this AC may be used when: (1)

the user has determined that it is appropriate to the product being repaired; (2) it is directly applicable to the repair being made; and (3) it is not contrary to the manufacturer's data.

35. Pursuant to AC 43.13-1B, the repair data does not apply to RADOMES or advanced composite components, such as graphite (carbon fiber) or Kevlar.

III. THE SCHEME

A. Introduction

36. In order to maximize profits and reduce costs, Defendant SCHLOTZHAUER failed to adhere to, among other things, FAA required practices, techniques, and methods acceptable to the Administrator, concerning inspections and repairs regarding two aircraft, as mandated by the aforementioned C.F.R.s. Additionally, SCHLOTZHAUER failed to enlist either DER engineering assistance or the manufacturer's technical assistance in effectuating an FAA approved field repair scheme. Moreover, SCHLOTZHAUER failed to properly document maintenance and inspections within FAA required forms and logbooks.

37. Specifically, Defendant SCHLOTZHAUER made false, fraudulent, and material misrepresentations and omissions concerning inspections, repairs, the extent of the damage, and the condition of these aircraft, to the manufacturer, the FAA, subsequent purchasers and subsequent prospective purchasers.

38. Defendant SCHLOTZHAUER also made false, fraudulent, and material misrepresentations and omissions in required FAA Form 337 (Major Repair and Alteration) and required FAA Form 8130-6 (Application for Airworthiness Certificate) which became part of the permanent record of the aircraft retained at the FAA Aircraft Registration Branch in Oklahoma City, Oklahoma.

39. Defendant SCHLOTZHAUER also knew and had reason to know by virtue of his status as an IA holder, that AC 43.13-1B did not pertain to major repairs on advanced composite components such as carbon fiber, and therefore falsely and fraudulently cited this AC as the approved data and basis for a repair scheme regarding major repairs to advanced composite components conducted at his direction.

B. Eurocopter

40. Eurocopter is a company located in France, and is a subsidiary of European Aeronautic Defense and Space Company which builds a range of military and civilian helicopters. Additionally, Eurocopter has a subsidiary in the United States, American Eurocopter, which offers helicopter repair, maintenance and overhaul services.

41. The Eurocopter EC-120B was fielded during April 1998, and is a light single engine helicopter utilizing advanced composite materials in its construction.

42. As part of the FAA approval process, Eurocopter adopted airworthiness limitations in its master servicing manual that specified, in part, that reuse of parts and assemblies that have been involved in an accident is prohibited, unless technical acceptance authorizing such reuse has been given by the Eurocopter Customer Support Technical Assistance Department.

43. Additionally, according to Chapter 20-20 of the Eurocopter aircraft maintenance manual for the EC-120, dated June 30, 1999, any structural repair to any Eurocopter helicopter must be subjected to and approved by, either Eurocopter's Technical Department, or the approved authority supervising the repair shop.

44. The Eurocopter aircraft maintenance manual requires Eurocopter to perform all detailed checks of damage involving the airframe, aft fuselage, canopy and horizontal stabilizer and does not provide information for detailed checks of critical, structural components to be completed by field personnel.

45. In establishing compliance with FAA regulations, Eurocopter required any structural repair to be approved by its Technical Department, and therefore, Eurocopter does not have a structural repair manual, and its overhaul manual was dated November 30, 2001.

C. Eurocopter EC-120B Serial Number 1137

46. On August 28, 2000, the Eurocopter EC-120B Serial No. 1137 (EC) valued it approximately \$1,000,000, flew from Brohinds Gard, Sweden to the Stockholm, Sweden Airport. At that time, the pilot attempted to land the EC on a helipod trailer placed on the taxiway near a hanger. However, due to unforeseen conditions, the pilot terminated the flight several feet over the trailer causing the EC to impact the ground and tip over on its right side causing the main rotor blades to shatter.

47. As a result of this accident, the pilot suffered a broken thumb and the EC incurred extensive damage to its structure, tail boom, tail fin, horizontal stabilizer and rotor blades.

48. Consequently, Hardy Insurance Services, LTD, the insurance adjuster for the EC, sold it "as is," as salvage to White Industries, who sold the aircraft to Defendant SCHLOTZHAUER for \$110,000.00 on January 4, 2001.

49. On or about December 2000 through January 2001, Defendant SCHLOTZHAUER contacted American Eurocopter and began conferring with technical representative Edward Spaulding. During this time, SCHLOTZHAUER told Spaulding that the EC was involved in a hard landing rather than an accident as defined by the FAA, and therefore received from Spaulding the hard landing inspection criteria for the EC, which required Eurocopter to

perform detailed checks of the aft fuselage, horizontal stabilizer and canopy. Additionally, Spaulding was not told by SCHLOTZHAUER of the extent of the damage to the EC as described in paragraph 47 of this indictment.

50. Subsequently, Defendant SCHLOTZHAUER requested a structural repair manual (SRM) for the EC and was informed by Spaulding that there was no stand alone SRM for this aircraft. However, Spaulding provided SCHLOTZHAUER with Chapter 20 of the Eurocopter maintenance manual, concerning repairs for composite structures, and containing the limitations on structural repairs as described in paragraph 49 of this indictment.

51. In March 2001, Defendant SCHLOTZHAUER requested part numbers from Spaulding for casting of the right hand skid tube. Consequently, on March 26, 2001, Spaulding sent an e-mail to SCHLOTZHAUER indicating that the part was not procurable and that SCHLOTZHAUER can either purchase the entire right hand skid tube for \$10,721.00 or use AC 43.13 to make this sheet metal repair.

52. Accordingly, instead of enlisting the engineering support of a DER, or the technical assistance from the manufacturer, defendant SCHLOTZHAUER hired independent contract employees MH and AH in order to effectuate a repair scheme for the aircraft.

53. In this regard, MH was an independent contractor employed by Defendant SCHLOTZHAUER to assist in the repair of the

EC. At the time of the repairs, MH did not hold either an FAA A&P license or an IA certification. Specifically, MH repaired the EC fenestron which housed the tail rotor, and repaired the right front door post which are both primary structural components of the aircraft constructed with advanced composite materials.

54. A primary structural component of an aircraft is anything that carries a weight bearing load the loss of which would affect the integrity of flight and which could result in a failure of airworthiness.

55. In effectuating the repair scheme in regard to the fenestron and the right front door post, neither MH nor Defendant SCHLOTZHAUER complied with either 14 C.F.R. § 43.13 or 43.16, nor did MH or SCHLOTZHAUER subject either structural component repair to Eurocopter's Technical Department, in accordance with the Eurocopter aircraft maintenance manual, nor did either MH or SCHLOTZHAUER complete the repair using methods, techniques, and practices acceptable to the Administrator, as mandated in 14 C.F.R. § 43.13, nor did either MH or SCHLOTZHAUER enlist the support of an FAA DER or other engineering support as stated in FAA Order 8300.1.

56. Instead, MH made the repair under the direction of Defendant SCHLOTZHAUER and based on MH's training and experience with other companies. However, MH had never previously performed

helicopter repairs and had never previously done non-experimental airplane composition repairs without a specific repair manual, nor did MH have prior knowledge of the contents of AC 43.13-1B.

57. AH was an independent contractor and owner of Kansas Composites and was contracted by Defendant SCHLOTZHAUER to repair the EC horizontal stabilizer which is a primary structural component of the aircraft. At the time of the repair, AH did not hold either an FAA A&P license or an IA inspection certification or any other FAA repairman or mechanics license.

58. In effectuating the repair scheme in regard to the horizontal stabilizer, neither AH nor Defendant SCHLOTZHAUER subjected the structural component repair to Eurocopter's Technical Department, in accordance with the Eurocopter aircraft maintenance manual, nor did either AH or Schlotzhauer complete the repair using methods, techniques, and practices acceptable to the Administrator as mandated in 14 C.F.R. § 43.13, nor did either AH or SCHLOTZHAUER enlist the support of an FAA DER or other engineering support as stated in FAA Order 8300.1.

59. Instead, AH designed the repair scheme in April 2001, outside the presence and supervision of Defendant SCHLOTZHAUER, based on his own experience, which was limited almost exclusively to experimental fixed wing aircraft.

60. On or about November 1, 2001, Defendant SCHLOTZHAUER made entry in the FAA mandated EC aircraft logbook, that the main

rotor hub assembly was removed, disassembled, cleaned, inspected and reassembled . . . and returned to service IAW the Eurocopter Component Maintenance and Overhaul Manual dated April 1, 2000.

61. On or about November 1, 2001, Defendant SCHLOTZHAUER made entry in the FAA mandated EC aircraft logbook that the main rotor gearbox and mounts were inspected IAW Eurocopter Components Maintenance and Overhaul manual dated April 1, 2000.

62. On or about November 1, 2001, Defendant SCHLOTZHAUER made entry in the FAA mandated EC aircraft logbook that the engine drive shaft and tail rotor drive shafts were removed, disassembled, cleaned, inspected and returned to service IAW Eurocopter Component Maintenance and Overhaul Manual dated April 1, 2000.

63. The original version of the Eurocopter Overhaul Manual is dated November 30, 2001. Consequently, there was no Eurocopter Overhaul Manual in existence on April 1, 2000, as indicated by Defendant SCHLOTZHAUER, or at the time SCHLOTZHAUER made the above entries described in paragraphs 60, 61 and 62 of this indictment on November 1, 2001. Additionally, this publication was entitled Overhaul and Repair Manual rather than Maintenance and Overhaul Manual as stated by SCHLOTZHAUER.

64. On or about November 1, 2001, Defendant SCHLOTZHAUER executed FAA Form 337 (Major Repair and Alteration) in regard to

the EC and described extensive composite repairs made IAW AC 43.13-1B dated September 9, 1998. However, by its own provisions, AC 43.13-1B is not applicable for repairs to the type of advanced composites used on the EC and relating to its primary structural components including the door post, horizontal stabilizer and fenestron.

65. Defendant SCHLOTZHAUER, in the above FAA Form 337 certified that carbon cloth type 94901 5.7 oz. was used for all composite repairs, that all parts were vacuum bagged and samples were kept of all parts repaired. However, regarding repairs to the horizontal stabilizer, no samples were kept, no parts were vacuum bagged and cloth tape 94901 5.7 oz. was not used.

66. In December 2001, Defendant SCHLOTZHAUER retained FAA DAR Jay Foster to conduct a conformity inspection of the EC, for the purpose of issuing a standard airworthiness certificate. Subsequently, on December 11, 2001, Foster completed the conformity check list, and approved the airworthiness certification, based in part on SCHLOTZHAUER's misrepresentations contained in his certification in FAA Form 8130-6 (Application for Airworthiness Certificate) that the EC was eligible for an airworthiness certificate.

67. Consequently, Defendant SCHLOTZHAUER offered the EC for sale for approximately \$650,000.00. In this regard, the total

cost of repairs (labor and materials) including the initial \$110,000.00 purchase price was \$306,917.00.

68. In approximately November 2002, Yves Bangle, the director of maintenance for MG Aviation, inspected the EC for a prospective purchaser. In this regard, Bangle had been a mechanic for fourteen (14) years specializing in helicopters and was a holder of an FAA A&P license and IA certificate.

69. During the inspection, Defendant SCHLOTZHAUER refused Bangle's request to review the FAA Form 337 (Major Repair and Alteration) executed by SCHLOTZHAUER on November 1, 2001. Consequently, Bangle inspected the EC and observed that a Thomas coupling dynamic component in the drive shaft of the aircraft, was damaged, bent and deformed and that an improper adhesive and sealant was applied to the windshield structural component of the EC.

70. Consequently, in a letter dated December 23, 2002, Bangle reported his findings to the FAA and stated it was his conclusion that the EC was not airworthy based on the factors listed in paragraph 69 of this indictment. Thereafter, in response to Bangle's inspection, Defendant SCHLOTZHAUER replaced the entire drive shaft on the EC.

71. Accordingly, on February 24, 2003, an inspection team from the FAA Rotorcraft Directorate in Dallas, Texas, was

dispatched to Falcon Helicopter, Inc., to perform an Airworthiness Review regarding the EC.

72. During this inspection the FAA detected, among other things, a crack approximately twenty (20) inches long in the inside of the tailboom of the EC.

73. Consequently, based on this inspection, the FAA reported that the EC was not airworthy at that time based in part on: (1) the undetected crack in the tailboom; (2) insufficient evidence that accident inspections and checks were conducted and documented; and (3) repairs made to major structural components were not presented to Eurocopter Technical Support for evaluation and were made without benefit of FAA approval.

74. The FAA inspection also determined that the repairs made to carbon fiber structures on the fenestron, horizontal stabilizer and right door post were in contravention to the provisions of AC 43.13-1B and that maintenance records provided by Defendant SCHLOTZHAUER were not adequate for the scope of the inspection and repairs conducted.

75. Consequently, on April 21, 2003, the FAA ordered a revocation of the EC's Standard Airworthiness Certificate after granting the EC an Experimental Standard Airworthiness Certificate on April 4, 2003.

76. Subsequently, in January 2004, Defendant SCHLOTZHAUER sold the EC to Hannes Starke for the reduced price of \$325,000.00 based in part on the limited Experimental Airworthiness Certificate then in effect regarding the EC.

77. Thereafter, on April 6, 2004, the FAA agreed to withdraw this order of revocation upon a showing that Eurocopter had authorized the reuse in the EC of all non-engine assemblies and parts, however, as of the date of this indictment, this authorization has not occurred and the EC has remained uncertificated.

D. McDonnell Douglas (MD), 500 E. (Hughes 369 E) Serial No. 0320E

78. McDonnell Douglas (MD) is an American aircraft manufacturer. In this regard, MD designs and builds aircraft for customers world wide and supplies aircraft to private entities, governments and the military. Additionally, MD is required to adhere to FAA regulations regarding aircraft that will be issued airworthiness certificates in the United States.

79. The MD 369 E is a five passenger light turbine helicopter with a five bladed main rotor.

80. On February 21, 2000, an MD-369 E, Serial No. 0320E (MD-369E) was involved in an accident in the Pacific Ocean off the coast of Australia near Hay Point, Queensland. Specifically, the aircraft was being operated for marine pilot transfers between Hay Point and various vessels. At that time, the pilot's

vision was obscured by a fogged windscreen and the helicopter impacted the sea, capsized, and remained submerged for several hours.

81. This aircraft was insured for \$700,000.00 and was evaluated by an insurance adjuster to be a total loss due to complete salt water immersion, compression ripples in the forward belly skin and starboard side skins, and general impact damage.

82. Consequently, the aircraft was purchased by Australian Aviation facilities and sold to Defendant SCHLOTZHAUER on July 20, 2001, for \$35,000.00.

83. On August 23, 2000, a second MD-369 E, Serial No. 0372E was involved in an accident in Dartford, England causing substantial damage to the aircraft, including damage to the main rotor head, transmission, rotor blades, cabin structure, landing gear skids, tail rotor blades, gearbox, drive shafts, tail boom, and the engine, and serious back injuries to both occupants. Specifically, the pilot reported a power loss in mid-flight and entered autorotation resulting in sudden engine stoppage and a heavy landing.

84. This aircraft was sold as salvage in an "as is," "where is" condition by LAD Aviation on April 16, 2001, to Defendant SCHLOTZHAUER for \$30,650.00.

85. Consequently, Defendant SCHLOTZHAUER returned the aircraft involved in the accident as described in paragraph 80 of

this indictment, to service, by installing into its fuselage the engine, main rotor drive shaft, main rotor transmission and other key components from the aircraft involved in the accident as described in paragraph 83 of this indictment.

86. Pursuant to FAA regulations, specifically 14 C.F.R. § 43.13, Defendant SCHLOTZHAUER was required to conduct a corrosion inspection regarding the MD-369E, in accordance with the McDonald Douglas' Corrosion Control Manual, CSP-A-3 and was required pursuant to 14 C.F.R. § 43.9 and 43.11 to document this inspection in the aircraft logbook.

87. However, Defendant SCHLOTZHAUER failed to conduct the FAA required corrosion inspection and further failed to record this inspection in the aircraft logbook.

88. Pursuant to FAA regulations, specifically, 14 C.F.R. § 43.13, Defendant SCHLOTZHAUER was required to perform conditional inspections, as described in MD Helicopter Manual CSP-H-4, based on the nature of the accident described in paragraph 83 of this indictment. In this regard, the above criteria requires the inspector to conduct a Level I inspection, and if certain conditions are met to also conduct a Level II inspection. Specifically, if evidence of significant impact to the rotor blades is present, or if the rotor blades were bent during an accident while the engine was running, a Level II inspection is required. Consequently, the Level II inspection requires, among

other things, scrapping of the main rotor drive shaft, and the overhaul of the main rotor transmission. Additionally, SCHLOTZHAUER was also required to document these inspections pursuant to 14 C.F.R. § 43.9 and § 43.11 in the aircraft logbook.

89. However, Defendant SCHLOTZHAUER failed to conduct the FAA required conditional inspections and overhaul as described in paragraph 88 of this indictment and SCHLOTZHAUER further failed to record these required inspections and overhaul in the aircraft logbook.

90. Pursuant to McDonnell Douglas specifications, and specifically manual CSP-H-4, the main rotor drive shaft of the MD-369E is required to be scrapped following the accident described in paragraph 83 of this indictment.

91. However, Defendant SCHLOTZHAUER failed to scrap the main rotor drive shaft of the MD-369E as required by McDonnell Douglas conditional inspection requirements and instead reused this component in the MD-369E.

92. Pursuant to FAA regulations, specifically 14 C.F.R. § 43 Appendix B and A, Defendant SCHLOTZHAUER was required to prepare FAA Form 337 documenting the major repair or alteration to the forward belly skin and starboard side skins of the MD-369E following the accident as described in paragraph 80 of this indictment.

93. However, Defendant SCHLOTZHAUER failed to properly execute FAA Form 337 and fully document the major repair to the MD-369E as referenced in paragraph 92 of this indictment.

94. On December 11, 2001, Defendant SCHLOTZHAUER executed FAA Form 8130-6 (Application for Airworthiness Certificate) and falsely and fraudulently certified that the MD-369E was inspected and was airworthy in accordance with FAA regulations.

95. Consequently, on December 11, 2001, FAA DAR Jay Foster issued an FAA Standard Airworthiness Certificate to the MD-369E in part based on Defendant SCHLOTZHAUER above misrepresentations.

96. Specifically, during this certification procedure, Defendant SCHLOTZHAUER fraudulently omitted any reference from Foster regarding the reuse in the MD-369E of the main rotor drive shaft, main rotor transmission and other key components from the aircraft involved in the accident as described in paragraph 83 of this indictment and fraudulently omitted any reference regarding required inspections to return these components to service.

97. On or about March 29, 2002, representatives of Rainbow Air, Inc., including Robert Culbreth, met with Defendant SCHLOTZHAUER for the purpose of inspecting and purchasing the MD-369E. At that time, SCHLOTZHAUER falsely and fraudulently represented that the aircraft was primarily stored in a controlled environment as a "hanger queen" and that it was cannibalized to support other helicopters as a "parts bird" when

in fact SCHLOTZHAUER knew that this aircraft was functional and operational until the accident described in paragraph 80 of this indictment.

98. Additionally, Defendant SCHLOTZHAUER falsely and fraudulently indicated to representatives of Rainbow Air, Inc., that the MD-369E had never been damaged and that there was no corrosion relative to the aircraft when in fact SCHLOTZHAUER knew that the aircraft was in an accident causing a compression ripple in the forward belly skin and starboard side skins, and knew and had reason to know that the aircraft was corroded after immersion in salt water, and knew that certain dynamic components used in the MD-369E were from an aircraft involved in an accident as described in paragraph 83 of this indictment.

99. Moreover, Defendant SCHLOTZHAUER falsely and fraudulently minimized the accident as described in paragraph 83 of this indictment, from Robert Culbreth and other representatives of Rainbow Air, Inc.

100. Based on Defendant SCHLOTZHAUER's material misrepresentations contained within paragraphs 97, 98 and 99 of this indictment, Rainbow Air, Inc., purchased the MD-369E for \$450,000.00 on or about June 25, 2002.

101. On or about July 28, 2004, the FAA inspected the MD-369E and its associated logbooks. As a result of those inspections, the FAA suspended the Certificate of Airworthiness

for the MD-369E. Consequently, the FAA ordered that a Level II inspection in accordance with MD Helicopter Manual CSP-H-4 be conducted. Specifically, this manual requires that the main rotor drive shaft must be scrapped following an accident as described in paragraph 83 of this indictment. Accordingly, the main rotor drive shaft was scrapped and the main rotor transmission was overhauled by Rainbow Air, Inc., prior to the issuance of a new certificate of airworthiness.

102. Defendant SCHLOTZHAUER created a new aircraft logbook when he returned the MD-369E to service. In this regard, the original logbook possessed by SCHLOTZHAUER contained an entry by the previous owner indicating that the aircraft had been submerged in salt water. However, this page was discovered missing by FAA inspectors during the inspection and document review of the MD-369E in July 2004. Moreover, this was the only FAA required record of the incident involving the submersion of the aircraft.

103. Subsequently, forensic examination revealed that the removed logbook entries included in part, the following: (1) helicopter written off after controlled flight into the sea; (2) immersion time in saltwater five (5) hours reference MD Helicopter, Inc.; (3) . . . suggesting helicopter be removed from service; and (4) due to the detrimental effects of saltwater.

104. On or about January 11, 2005, the FAA again inspected the MD-369E and discovered corrosion between the metal skin plates and other areas of the aircraft that was previously undetected.

105. Defendant SCHLOTZHAUER unduly placed at risk prospective pilots and passengers of the EC and MD-369E as a result of his false, fraudulent, and material misrepresentations and omissions as previously indicated.

COUNT ONE

1. The grand jury re-alleges and incorporates by reference the allegations contained in paragraphs one (1) through one-hundred-five (105) of this indictment.

2. On or about between December 11, 2001 and April 3, 2002, said dates being approximate, in the Western District of Missouri, ROBERT A. SCHLOTZHAUER, defendant herein, for the purpose of executing the foregoing scheme to obtain money from Rainbow Air, Inc., by means of material false and fraudulent representations and pretenses as described in paragraphs one (1) through one-hundred-five (105) of this indictment, did knowingly deposit and cause to be deposited in an authorized depository for mail matter, FAA Form 8130.6 (Application for Standard Airworthiness Certificate), regarding the MD-369E, executed by Defendant SCHLOTZHAUER on December 11, 2001, and addressed to the

FAA Aircraft Registration Branch in Oklahoma City, Oklahoma, to be sent and delivered by the United States Postal Service;

All in violation of Title 18, United States Code, Section 1341.

COUNT TWO

1. The grand jury re-alleges and incorporates by reference the allegations contained in paragraphs one (1) through one-hundred-five (105) of this indictment.

2. On or about January 15, 2002, said date being approximate, in the Western District of Missouri, ROBERT A. SCHLOTZHAUER, defendant herein, for the purpose of executing the foregoing scheme to obtain money from Rainbow Air, Inc., by means of material false and fraudulent representations and pretenses as described in paragraphs one (1) through one-hundred-five (105) of this indictment, did knowingly cause to be transmitted by wire communication in interstate commerce, certain signs, signals and sounds, that is, an e-mail containing photographs, an equipment list and information concerning price and the installation of components, to Robert Culbreth of Rainbow Air, Inc., in Niagara Falls, New York from Lee's Summit, Missouri;

All in violation of Title 18, United States Code, Section 1343.

COUNT THREE

1. The grand jury re-alleges and incorporates by reference the allegations contained in paragraphs one (1) through one-hundred-five (105) of this indictment.

2. On or about November 1, 2001, in the Western District of Missouri and elsewhere, in a matter within the jurisdiction of the Federal Aviation Administration, an agency and department of the United States, ROBERT A. SCHLOTZHAUER, defendant herein, did knowingly and willfully make and use a material false writing and document by presenting to the Federal Aviation Administration FAA Form 337 (Major Repair and Alteration) regarding the EC-120B, in that defendant certified that advanced composite repairs to the horizontal stabilizer, fenestron, and right front door post of this aircraft were made in accordance with FAA Advisory Circular 43.13-1B dated September 8, 1998, knowing the same to contain materially false, fictitious and fraudulent statements; that is, that the above repairs were not made in accordance with FAA Advisory Circular 43.13-1B, which does not apply to advanced composite repairs on primary structural components including the horizontal stabilizer, fenestron, and right front door post, made contrary to the manufacturer's data;

All in violation of Title 18, United States Code, Section 1001.

COUNT FOUR

1. The grand jury re-alleges and incorporates by reference the allegations contained in paragraphs one (1) through one-hundred-five (105) of this indictment.

2. On or about November 1, 2001, in the Western District of Missouri and elsewhere, in a matter within the jurisdiction of the Federal Aviation Administration, an agency and department of the United States, ROBERT A. SCHLOTZHAUER, defendant herein, did knowingly and willfully make and use a material false writing and document by presenting to the Federal Aviation Administration FAA Form 337 (Major Repair and Alteration) regarding the EC-120B, in that defendant indicated that the repairs to the horizontal stabilizer were made in accordance with the requirements of Part 43 of the United States Federal Aviation Regulations, knowing the same to contain materially false, fictitious and fraudulent statements; that is that the above repairs were not made in accordance with the requirements of Part 43 of the United States Federal Aviation Regulations because they were not made by an FAA certified mechanic and the above repairs were not properly supervised by defendant as required by 14 C.F.R. § 43.3d;

All in violation of Title 18, United States Code, Section 1001.

COUNT FIVE

1. The grand jury re-alleges and incorporates by reference the allegations contained in paragraphs one (1) through one-hundred-five (105) of this indictment.

2. On or about November 1, 2001, in the Western District of Missouri and elsewhere, in a matter within the jurisdiction of the Federal Aviation Administration, an agency and department of the United States, ROBERT A. SCHLOTZHAUER, defendant herein, did knowingly and willfully make and use a material false writing and document by presenting to the Federal Aviation Administration a logbook entry for the EC-120B, dated November 1, 2001, in that defendant indicated that the main rotor hub assembly, the engine drive shaft, and the tail rotor drive shaft were overhauled in accordance with Eurocopter Component Maintenance and Overhaul Manual dated April 1, 2000, knowing the same to contain materially false, fictitious and fraudulent statements; that is, that the above overhaul was not made in accordance with Eurocopter Component Maintenance and Overhaul Manual dated April 1, 2000, and could not have been made in accordance with that manual because the manual did not come into existence until after defendant made the above false logbook entry;

All in violation of Title 18, United States Code, Section 1001.

COUNT SIX

1. The grand jury re-alleges and incorporates by reference the allegations contained in paragraphs one (1) through one-hundred-five (105) of this indictment.

2. On or about December 2, 2001, in the Western District of Missouri and elsewhere, in a matter within the jurisdiction of the Federal Aviation Administration, an agency and department of the United States, ROBERT A. SCHLOTZHAUER, defendant herein, did knowingly and willfully make and use a material false writing and document by presenting to the Federal Aviation Administration FAA Form 8130-6 (Application for Airworthiness Certificate), in that defendant certified that the EC-120B had been inspected and was airworthy and eligible for the Airworthiness Certificate requested, knowing the same to contain materially false, fictitious and fraudulent statements; that is that the above aircraft was not eligible for the Airworthiness Certificate requested because it was not repaired in accordance with AC 43.13-1B in that AC 43.13-1B does not apply to composite repairs to structural components and because repairs to a structural component were made by an FAA uncertified mechanic who was improperly supervised by defendant;

All in violation of Title 18, United States Code, Section 1001.

COUNT SEVEN

1. The grand jury re-alleges and incorporates by reference the allegations contained in paragraphs one (1) through one-hundred-five (105) of this indictment.

2. On or about March 3, 2003, in the Western District of Missouri and elsewhere, in a matter within the jurisdiction of the Federal Aviation Administration, an agency and department of the United States, ROBERT A. SCHLOTZHAUER, defendant herein, did knowingly and willfully make and use a material false writing and document by presenting to the Federal Aviation Administration FAA Form 337 (Major Repair and Alteration) regarding the EC-120B, in that defendant certified that repairs to the tail boom of this aircraft were made in accordance with FAA Advisory Circular 43.13-1B dated September 8, 1998, knowing the same to contain materially false, fictitious and fraudulent statements; that is that the above repairs were not made in accordance with FAA Advisory Circular 43.13-1B which does not apply to repairs on primary structural components including the tail boom, made contrary to the manufacturer's data;

All in violation of Title 18, United States Code, Section 1001.

COUNT EIGHT

1. The grand jury re-alleges and incorporates by reference the allegations contained in paragraphs one (1) through one-hundred-five (105) of this indictment.

2. On or about December 11, 2001, in the Western District of Missouri and elsewhere, in a matter within the jurisdiction of the Federal Aviation Administration, an agency and department of the United States, ROBERT A. SCHLOTZHAUER, defendant herein, did knowingly and willfully make and use a material false writing and document by presenting to the Federal Aviation Administration FAA Form 8130-6 (Application for Airworthiness Certificate) regarding the MD-369E, in that defendant certified that the aircraft was airworthy and eligible for the Airworthiness Certificate requested, knowing the same to contain materially false, fictitious and fraudulent statements; that is that the aircraft was not eligible for the Airworthiness Certificate requested because defendant failed to conduct Level I and Level II inspections as directed by the manufacturer, on the main rotor drive shaft and main rotor transmission of the above aircraft and document these inspections, as directed by FAA regulations, in the aircraft logbook;

All in violation of Title 18, United States Code, Section 1001.

COUNT NINE

1. The grand jury re-alleges and incorporates by reference the allegations contained in paragraphs one (1) through one-hundred-five (105) of this indictment.

2. On or about December 11, 2001, in the Western District of Missouri, and elsewhere, in a matter within the jurisdiction of the Federal Aviation Administration, an agency and department of the United States, ROBERT A. SCHLOTZHAUER, defendant herein, did knowingly and willfully make and use a material false writing and document by presenting to the Federal Aviation Administration FAA Form 8130-6 (Application for Airworthiness Certificate) regarding the MD-369E, in that defendant certified that the aircraft was airworthy and eligible for the Airworthiness Certificate requested, knowing the same to contain materially false, fictitious and fraudulent statements; that is that the aircraft was not eligible for the Airworthiness Certificate requested because defendant failed to document that components used in the above aircraft were removed from an aircraft that was involved in an accident and document the reason for the removal of the components, as directed by FAA regulations, in the aircraft logbook;

All in violation of Title 18, United States Code, Section 1001.

COUNT TEN

1. The grand jury re-alleges and incorporates by reference the allegations contained in paragraphs one (1) through one-hundred-five (105) of this indictment.

2. On or about December 11, 2001, in the Western District of Missouri, and elsewhere, in a matter within the jurisdiction of the Federal Aviation Administration, an agency and department of the United States, ROBERT A. SCHLOTZHAUER, defendant herein, did knowingly and willfully make and use a material false writing and document by presenting to the Federal Aviation Administration FAA Form 8130-6 (Application for Airworthiness Certificate) regarding the MD-369E, in that defendant certified that the aircraft was airworthy and eligible for the Airworthiness Certificate requested, knowing the same to contain materially false, fictitious and fraudulent statements; that is that the aircraft was not eligible for the Airworthiness Certificate requested because defendant failed to inspect the aircraft for corrosion after submersion in salt water in accordance with the McDonnell Douglas Corrosion Control Manual CSP-A-3 for the MD-369E, and failed to document this inspection, as directed by FAA regulations, in the aircraft logbook;

All in violation of Title 18, United States Code, Section 1001.

COUNT ELEVEN

1. The grand jury re-alleges and incorporates by reference the allegations contained in paragraphs one (1) through one-hundred-five (105) of this indictment.

2. On or about December 11, 2001, in the Western District of Missouri, in a matter within the jurisdiction of the Federal Aviation Administration, an agency and department of the United States, ROBERT A. SCHLOTZHAUER, defendant herein, did knowingly and willfully make and use a material false writing and document by presenting to the Federal Aviation Administration FAA Form 8130-6 (Application for Airworthiness Certificate) regarding the MD-369E, in that defendant certified that the aircraft was airworthy and eligible for the Airworthiness Certificate requested, knowing the same to contain materially false fictitious and fraudulent statements; that is that the aircraft was not eligible for the Airworthiness Certificate requested because defendant failed to complete FAA Form 337 (Major Repair and Alteration) regarding damage to the belly skin and starboard side skins of the aircraft, as required by FAA regulations, and specifically 14 C.F.R. § 43 Appendix A and B;

All in violation of Title 18, United States Code, Section 1001.

COUNT TWELVE

1. The grand jury re-alleges and incorporates by reference the allegations contained in paragraphs one (1) through one-hundred-five (105) of this indictment.

2. On or about December 2, 2001, in the Western District of Missouri, ROBERT A. SCHLOTZHAUER, defendant herein, did knowingly and with the intent to defraud, make and use a materially false entry, certification document, and record regarding the EC-120B and concerning any aircraft part therein, to the Federal Aviation Administration in the person of Designated Airworthiness Representative Jay Foster, to wit: that the above aircraft complied with the provisions of 14 C.F.R. Part 43 and was eligible for the Airworthiness Certificate requested, when in truth and in fact and as defendant then and there well knew, the primary structural advanced composite components, including the horizontal stabilizer, fenestron and right front door post, were repaired contrary to FAA regulations and specifically contrary to FAA Advisory Circular 43.13-1B, and thereby affected interstate commerce by fraudulently obtaining a Standard Airworthiness certificate for the above aircraft and transferring this aircraft for travel both within and without the United States;

All in violation of Title 18, United States Code, Section 38.

COUNT THIRTEEN

1. The grand jury re-alleges and incorporates by reference the allegations contained in paragraphs one (1) through one-hundred five (105) of this indictment.

2. On or about December 2, 2001, in the Western District of Missouri, ROBERT A. SCHLOTZHAUER, defendant herein did knowingly and with the intent to defraud, falsify and conceal a material fact regarding the MD-369E and concerning any aircraft part therein, to the Federal Aviation Administration in the person of Designated Airworthiness Representative Jay Foster, to wit: that the above aircraft complied with the provisions of 14 C.F.R. Part 43 and was eligible for the Airworthiness Certificate requested, when in truth and in fact and as defendant then and there well knew, the dynamic components including the main rotor drive shaft and the main rotor transmission were removed from an aircraft that was involved in an accident, and were installed in the above MD-369E contrary to FAA regulations and were installed without a Level I or Level II inspection in accordance with FAA regulations, and thereby affected interstate commerce by fraudulently obtaining a Standard Airworthiness Certificate for the above aircraft and transferring this aircraft for travel to Niagra Falls, New York;

All in violation of Title 18, United States Code, Section 38.

COUNT FOURTEEN

1. The grand jury re-alleges and incorporates by reference the allegations contained in paragraphs one (1) through one-hundred-five (105) of this indictment.

2. As a result of the offense and scheme alleged in Count Twelve of the indictment, the defendant ROBERT A. SCHLOTZHAUER shall forfeit to the United States any property, used or intended to be used in any manner to commit or to facilitate the commission of such offense and scheme, and constituting or derived from any proceeds that the defendant obtained directly or indirectly as a result of the offense and scheme, including but not limited to the following property:

Money Judgment

Approximately \$325,000.00 in United States currency and all interest and proceeds traceable thereto, in that such sum in aggregate constitutes or is derived from proceeds of the offense and scheme as alleged in Count Twelve of this indictment.

Substitute Assets

If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendant:

1. cannot be located upon the exercise of due diligence;
2. has been transferred or sold to, or deposited with, a third party;
3. has been placed beyond the jurisdiction of the court;

4. has been substantially diminished in value; or
5. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 38(d)(2), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property, that is, approximately \$325,000.00.

All in violation of 18 U.S.C. § 38(d).

COUNT FIFTEEN

1. The grand jury re-alleges and incorporates by reference the allegations contained in paragraphs one (1) through one-hundred-five (105) of this indictment.

2. As a result of the offense and scheme alleged in Count Thirteen of this indictment, the defendant ROBERT A. SCHLOTZHAUER shall forfeit to the United States any property used or intended to be used in any manner to commit or to facilitate the commission of such offense and scheme, and constituting or derived from any proceeds that the defendant obtained directly or indirectly as a result of the offense and scheme, including but not limited to the following property:

Money Judgment

Approximately \$450,000.00 in United States currency and all interest and proceeds traceable thereto, in that such sum in

aggregate constitutes or is derived from proceeds of the offense and scheme as alleged in Count Thirteen of this indictment.

Substitute Assets

If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendant:

1. cannot be located upon the exercise of due diligence;
2. has been transferred or sold to, or deposited with, a third party;
3. has been placed beyond the jurisdiction of the court;
4. has been substantially diminished in value; or
5. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 38(d)(2), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property, that is, approximately \$450,000.00.

All in violation of 18 U.S.C. § 38(d).

A TRUE BILL.

Dated: _____

FOREPERSON OF THE GRAND JURY

William L. Meiners #28263
Assistant United States Attorney